

Message Text

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PAGE 01 LONDON 02383 01 OF 02 221921Z

73

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 SAM-01 COME-00 EB-11 LAB-06 SIL-01 SAJ-01

AEC-11 AID-20 CEA-02 CIEP-02 FEA-02 FPC-01 INT-08

OMB-01 SCI-06 STR-08 TRSE-00 DRC-01 /185 W

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P R 221908Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 8187

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 02383

E.O. 11652: N/A

TAGS: ELAB, PINT, UK

SUBJECT: POLITICAL STORM OVER MINERS' RELATIVE PAY

1. BEGIN SUMMARY: EVIDENCE PRESENTED TO THE PAY BOARD
DURING ITS INQUIRY INTO MINERS' PAY RELATIVITIES HAS
NOT ONLY STRENGTHENED THE MINERS' "SPECIAL CASE" CLAIM
FOR MORE MONEY OUTSIDE OF STAGE THREE BUT ALSO THE NUM

-- AND LABOR PARTY -- ARGUMENT THAT THE STRIKE COULD
HAVE BEEN PREVENTED. SOME LABOR AND LIBERAL PARTY

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PAGE 02 LONDON 02383 01 OF 02 221921Z

LEADERS HAVE SEIZED UPON WHAT THEY CHARGE WAS A

GOVERNMENTAL ERROR IN CALCULATING MINERS' PAY, AS EVIDENCE THAT THE WHOLE ISSUE COULD HAVE BEEN RESOLVED LONG AGO INSTEAD OF FORCING A THREE-DAY WEEK, A COAL STRIKE, AND AN ELECTION. IN THE MEANWHILE, IT IS CURRENTLY ESTIMATED THAT THE COAL STOCKS WILL REACH THE DANGER LEVEL -- SIX MILLION TONS -- WHEN POWER CUTS WILL BE NECESSARY, IN ABOUT ONE MONTH'S TIME.
END SUMMARY

2. THE PAY BOARD, DURING ITS HEARINGS THIS WEEK ON THE POSITION OF THE MINEWORKERS IN RELATION TO OTHER WORKERS IN INDUSTRY, HAS APPARENTLY DISCOVERED THAT THE MINERS, INSTEAD OF BEING ABOVE THE NATIONAL AVERAGE FOR MANUAL WORKERS IN MANUFACTURING, WAS ABOUT 8 PERCENT BELOW THE AVERAGE. THE MINERS HAVE ALL ALONG ARGUED THAT CONTRARY TO THE GOVERNMENT POSITION, FREQUENTLY REITERATED BY PRIME MINISTER HEATH AND OTHER LEADERS, THEY WERE BEING LEFT BEHIND IN THE RELATIVE STANDINGS WITH OTHER WORKERS. (THE DISCREPANCY RESULTS FROM THE USE OF DIFFERENT FACTORS, SUCH AS HOLIDAY PAY, IN THE COMPUTATION OF AVERAGE EARNINGS MADE BY THE DEPARTMENT OF EMPLOYMENT AND THE COAL BOARD.)

3. THE ISSUE HAS CREATED A "MINI-STORM" IN THE POLITICAL CAMPAIGN. AT HIS PRESS CONFERENCE TODAY (FEB. 22), HAROLD WILSON CITED THESE FIGURES AS DEMONSTRATING "GRAVE INCOMPETENCE" ON THE PART OF THE GOVERNMENT. HE SAID THAT "PEOPLE CANNOT UNDERSTAND TODAY WHY WE HAVE HAD TWO MONTHS OF INDUSTRIAL EMERGENCY AND CRISIS, A THREE-DAY WEEK, THE LOSS SO FAR OF WELL OVER 2,000 MILLION POUNDS OF PRODUCTION ... TWO MILLION WORKERS LOSING EARNINGS, AND OVER 600,000 UNEMPLOYED." JEREMY THORPE ECHOED WILSON'S CRITICISM AND SAID THAT "IT ALSO UNDERLINES ONCE AGAIN THE FACT THAT THIS ELECTION IS UNNECESSARY AND HAD THE RELATIVITIES BOARD BEEN SET UP FIRST WE SHOULD NOW BE IN SIGHT OF A SETTLEMENT." FOR HIS PART, PRIME MINISTER HEATH RESPONDED BY DECLARING THAT THE FIGURES USED TO ASSESS THE MINERS' RELATIVE POSITION WERE THE SAME AS USED PREVIOUSLY BY THE LABOR GOVERNMENT, THE NUM AND THE LIMITED OFFICIAL USE

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PAGE 03 LONDON 02383 01 OF 02 221921Z

COAL BOARD, AS WELL AS BY THE WILBERFORCE INQUIRY INTO MINERS' PAY, WHICH HELPED SETTLE THE 1972 STRIKE.

4. IN ANY EVENT, THE NUM AND THE COAL BOARD ARE CONTINUING TO DISCUSS THE DIFFERENCE IN COMPUTATION OF THESE PAY FIGURES AND OTHER ASPECTS OF THEIR CLAIM. ONE UNION LEADER HAS ALREADY SUGGESTED THAT BASED ON THIS "DISCREPANCY" THE MINERS NOW HAVE AN EVEN STRONGER

CLAIM. LAWRENCE DALY, NUM GENERAL SECRETARY, DECLARED THAT "THIS NEW ASSESSMENT OF THE STATISTICS CERTAINLY SUGGESTS THAT OUR CLAIM WAS NOT EXORBITANT. FROM A RELATIVE POINT OF VIEW IT MEANS THERE IS MORE GROUND TO BE MADE UP."

5. EARLIER, THE PAY BOARD INQUIRY, WHICH OPENED MONDAY, HEARD INTER ALIA FROM THE NUM, THE COAL BOARD AND FROM THE CBI (THE LATTER BY LETTER). IT ALSO INVITED TESTIMONY FROM OTHER WORKERS, INCLUDING NURSES, AND ELECTRICITY POWER WORKERS, WHO ARE CONCERNED ABOUT THEIR OWN RELATIVE POSITION IN THE PAY LEAGUE. THE NUM, WHICH TESTIFIED ON THE OPENING DAY OF THE INQUIRY, FEBRUARY 18, ARGUED THAT THEIR ORIGINAL CLAIM WAS OUT

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PAGE 01 LONDON 02383 02 OF 02 221931Z

73

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LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 02383

OF DATE AND THAT THEY, IN FACT, DESERVED AN EVEN LARGER WAGE THAN THE ORIGINAL CLAIM OF 35 POUNDS A WEEK FOR SURFACE AND 45 POUNDS FOR FACE WORKERS. DALY, WHO PRESENTED THE NUM CASE, ARGUED THAT THE MINERS WERE LEAVING THE PITS AT A VERY HIGH RATE.

6. THE COAL BOARD, FOR ITS PART, SUPPORTED A MINERS' LIMITED OFFICIAL USE

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PAGE 02 LONDON 02383 02 OF 02 221931Z

CLAIM FOR MORE MONEY, WITHOUT GIVING A PRECISE FIGURE. IT ARGUED BEFORE THE PAY BOARD THAT "A MAJOR SHIFT IN THE RELATIVE POSITION OF MINERS APPEARS ESSENTIAL" IN ORDER TO ATTRACT WORKERS TO THE COAL MINES. AT THE SAME TIME, DEREK EZRA, CHAIRMAN OF THE NCB, AGREED THAT THIS MIGHT RESULT IN A 50 PER CENT INCREASE IN COAL PRICES. THE CBI DECIDED NOT TO GIVE DIRECT EVIDENCE, BUT IN A LETTER TO THE PAY BOARD URGED IT, IN EFFECT, TO DISTINGUISH BETWEEN COAL MINE WORKERS UNDERGROUND AND THOSE ABOVE GROUND, WHOSE PAY SHOULD BE COMPARED WITH SURFACE WORKERS IN OTHER INDUSTRIES INSTEAD, SUCH AS TRUCK DRIVERS AND CLERICAL WORKERS.

7. THE COAL STRIKE ITSELF, WHICH HAS BEEN AT THE CENTER OF THE CRISIS, HAS BEEN RELATIVELY PEACEFUL -- IN SHARP CONTRAST TO THE LAST COAL STRIKE IN 1972 WHEN CONSIDERABLE VIOLENCE WAS DEMONSTRATED AT THE PICKET LINES. THE NUM, FOR EXAMPLE, HAS ORDERED ITS MEMBERS TO STOP PICKETING OIL-FIRED POWER STATIONS. (PICKETING OF COAL-FIRED POWER STATIONS AND THE MOVEMENT OF COAL TO THE POWER STATIONS CONTINUES.) ACCORDING TO SOME ESTIMATES, ABOUT A MONTH REMAINS BEFORE COAL STOCKS REACH THE DANGER POINT -- SIX MILLION TONS -- WHEN POWER CUTS WILL BE NECESSARY TO PREVENT A BREAKDOWN IN THE ELECTRICITY SYSTEM. (OTHER ESTIMATES, WHICH ARE MORE OPTIMISTIC, HOWEVER, STATE THE SUFFICIENT OIL SUPPLIES ARE REACHING POWER STATIONS TO STAVE OFF THE CRITICAL STAGE FOR A LONGER PERIOD.) INDUSTRY OUTPUT IS RUNNING ABOUT 70 TO 80 PERCENT OF NORMAL, ACCORDING TO THE CBI, ALTHOUGH THERE IS VERY SERIOUS CONCERN ABOUT THE FUTURE.

8. COMMENT: APART FROM WHAT EFFECT THE "MINI-STORM"
HAS ON THE POLITICAL CAMPAIGN BATTLE NOW WAGING,
THE NEW ARGUMENT ABOUT THE MINERS' RELATIVE PLACE
IN THE "WAGES QUEUE" IS LIKELY TO APPRECIABLY HELP
THE MINERS' CASE.

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